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SECOND SUBSTITUTE SENATE BILL 5581

State of Washington 59th Legislature 2005 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Brown, Finkbeiner, Kohl-Welles, Rasmussen, Prentice, Hewitt, Fairley, Esser, Doumit, Keiser, Haugen, McAuliffe and Shin; by request of Governor Gregoire)

READ FIRST TIME 03/08/05.

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AN ACT Relating to the strategic financing of life sciences research; amending RCW 43.79.480, 42.30.110, and 43.84.092; reenacting and amending RCW 42.17.310, 42.17.310, 42.17.2401, 43.84.092, and 43.84.092; adding a new section to chapter 82.04 RCW; adding a new section to chapter 41.06 RCW; adding a new chapter to Title 43 RCW; creating new sections; providing effective dates; providing expiration dates; and declaring an emergency.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

9 NEW SECTION. Sec. 1. LEGISLATIVE DECLARATION. The legislature 10 declares it to be a clear public purpose and governmental function to 11 promote life sciences research to foster a preventive and predictive 12 vision of the next generation of health-related innovations, to enhance the competitive position of Washington state in this vital sector of 13 14 the economy, and to improve the quality and delivery of health care for the people of Washington. It is appropriate and consistent with the 15 intent of the master settlement agreement between the state and tobacco 16 17 product manufacturers to invest a portion of the revenues derived 18 therefrom by the state in life sciences research, to leverage the 19 revenues with other funds, and to encourage cooperation and innovation

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among public and private institutions involved in life sciences 1 2 The purpose of this chapter is to establish a life sciences discovery fund authority, to grant that authority the power to contract 3 with the state to receive revenues under the master settlement 4 5 agreement, and to contract with other entities to receive other funds, and to disburse those funds consistent with the purpose of this 6 7 chapter. The life sciences discovery fund is intended to promote the best available research in life sciences disciplines through diverse 8 9 Washington institutions and to foster improved health care outcomes and 10 improved agricultural production research across this state and the world. The research investments of the life sciences discovery fund 11 12 are intended to further the goals of the "Bio 21" report and to support 13 future statewide, comprehensive strategies to lead the nation in life 14 sciences-related research and employment.

NEW SECTION. Sec. 2. DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

- (1) "Authority" means the life sciences discovery fund authority created in this chapter.
 - (2) "Board" means the governing board of trustees of the authority.
- (3) "Contribution agreement" means any agreement authorized under this chapter in which a private entity or a public entity other than the state agrees to provide to the authority contributions for the purpose of promoting life sciences research.
- (4) "Life sciences research" means advanced and applied research and development intended to improve human health.
- (5) "Master settlement agreement" means the national master settlement agreement and related documents entered into on November 23, 1998, by the state and the four principal United States tobacco product manufacturers, as amended and supplemented, for the settlement of litigation brought by the state against the tobacco product manufacturers.
- (6) "State agreement" means the agreement authorized under this chapter in which the state provides to the authority the strategic contribution payments required to be made by tobacco product manufacturers to the state and the state's rights to receive such

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payments, pursuant to the master settlement agreement, for the purpose of promoting life sciences research.

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- (7) "Strategic contribution payments" means the payments designated as such under the master settlement agreement, which will be made to the state in the years 2008 through 2017.
- NEW SECTION. Sec. 3. LIFE SCIENCES DISCOVERY FUND AUTHORITY--ESTABLISHED. (1) The life sciences discovery fund authority is created and constitutes a public instrumentality and agency of the state, separate and distinct from the state, exercising public and essential governmental functions.
- (2) The powers of the authority are vested in and shall be exercised by a board of trustees consisting of seven members appointed by the governor with the consent of the senate, one of whom shall be appointed by the governor as chair of the authority and who shall serve on the board and as chair of the authority at the pleasure of the At least one member of the board shall be experienced in applied agricultural production research. The governor shall make the initial appointments no later than thirty days after the effective date of this section. The term of the trustees, other than the chair, is four years from the date of their appointment, except that the terms of three of the initial appointees, as determined by the governor, are for two years from the date of their appointment. A trustee may be removed by the governor for cause under RCW 43.06.070 and 43.06.080. governor shall fill any vacancy on the board by appointment for the remainder of the unexpired term. The trustees shall be compensated in accordance with RCW 43.03.240 and may be reimbursed, solely from the funds of the authority, for expenses incurred in the discharge of their duties under this chapter, subject to RCW 43.03.050 and 43.03.060.
 - (3) Four members of the board constitute a quorum.
- (4) The trustees shall elect a treasurer and secretary annually, and other officers as the trustees determine necessary, and may adopt bylaws or rules for their own government.
- (5) Meetings of the board shall be held in accordance with the open public meetings act, chapter 42.30 RCW, and at the call of the chair or when a majority of the trustees so requests. Meetings of the board may be held at any location within or out of the state, and trustees may

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- participate in a meeting of the board by means of a conference telephone or similar communication equipment under RCW 23B.08.200.
 - (6) The authority is subject to audit by the state auditor.

- 4 (7) The attorney general must advise the authority and represent it in all legal proceedings.
 - <u>NEW SECTION.</u> **Sec. 4.** SPECIAL TRUST POWERS. In addition to other powers and duties prescribed in this chapter, the authority is empowered to:
 - (1) Enter into an agreement with the state for the receipt of strategic contribution payments and of the state's rights to receive the amounts in consideration of the authority's promise to leverage the revenues with amounts received from other public and private sources in accordance with contribution agreements and to hold the funds in trust for the benefit of its funders and its grant recipients for their use pursuant to this chapter to promote life sciences research. The funds received from the state under this subsection shall be deposited in the life sciences discovery fund hereby created in the state treasury. Moneys in the fund may be spent only after appropriation;
 - (2) Enter into agreements with private entities and public entities other than the state for the receipt of funds in consideration of the authority's promise to leverage the funds with amounts received in accordance with the state agreement, and contributions from other public entities and private entities and to hold the funds in trust for their use pursuant to this chapter to promote life sciences and related research;
 - (3) Hold funds received by the authority in trust for their use pursuant to this chapter to promote life sciences research;
 - (4) Manage its funds, obligations, and investments as necessary and as consistent with its purpose including the segregation of revenues into separate funds and accounts;
 - (5) Make grants to entities pursuant to contract for the promotion of life sciences research to be conducted in the state. The authority shall solicit requests for funding and evaluate the requests by reference to factors such as: (a) The quality of the proposed research; (b) its potential for leveraging additional funding; (c) its potential to provide health care benefits; (d) its potential to stimulate the health care delivery, biomedical manufacturing, and life

sciences related employment in the state; (e) the geographic diversity 1 2 of the grantees within Washington; and (f) evidence of public and private collaboration. Before November 1st of each year, the authority 3 shall develop and submit to the appropriate fiscal committees of the 4 5 legislature a prioritized list of grants that are recommended for funding by the legislature, including a description of each grant and 6 7 recommended financing. The authority shall not sign contracts or otherwise financially obligate funds from the life sciences discovery 8 fund before the legislature has appropriated funds for a specific list 9 of grants. The legislature may remove grants from the list recommended 10 by the authority, but the legislature shall not change the order of the 11 priorities recommended for funding by the authority; 12

- (6) Create one or more advisory boards composed of scientists, industrialists, and others familiar with life sciences research; and
- 15 (7) Adopt policies and procedures to facilitate the orderly process 16 of grant application, review, and reward.

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NEW SECTION. Sec. 5. GENERAL POWERS--RESTRICTIONS. The authority has all the general powers necessary to carry out its purposes and duties and to exercise its specific powers. In addition to other powers specified in this chapter, the authority may: (1) Sue and be sued in its own name; (2) make and execute agreements, contracts, and other instruments, with any public or private person or entity, in accordance with this chapter; (3) employ, contract with, or engage independent counsel, financial advisors, auditors, other technical or professional assistants, and such other personnel as are necessary or desirable to implement this chapter; (4) establish such special funds, and controls on deposits to and disbursements from them, as it finds convenient for the implementation of this chapter; (5) enter into contracts with public and private entities for life sciences research to be conducted in the state; (6) adopt rules, consistent with this chapter; (7) delegate any of its powers and duties if consistent with the purposes of this chapter; (8) exercise any other power reasonably required to implement the purposes of this chapter; and (9) hire staff and pay administrative costs.

NEW SECTION. Sec. 6. AUTHORIZATION OF THE CONTRIBUTION OF RIGHTS

IN THE MASTER SETTLEMENT AGREEMENT. (1) The governor is authorized to

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contribute and assign to the authority all of the state's right to receive the strategic contribution payments. The governor and the authority are authorized to take any action necessary to facilitate and complete the assignment.

- (2) The contribution made under this section shall be made if nonstate contributions in an amount not less than twenty million dollars have been promised to the authority pursuant to one or more contribution agreements and no less than ten million dollars have been received by the authority under contribution agreements. The characterization of such a contribution by the state may not be negated or adversely affected by the fact that only a portion of the revenue from the master settlement agreement is being contributed and assigned, or by the state's acquisition or retention of an ownership interest in the portion of the revenue from the master settlement agreement not so assigned.
- (3) In addition to such other terms, provisions, and conditions as the governor and the authority may determine appropriate for inclusion in the state agreement, the state agreement must contain a: (a) Covenant of the state that the state will not agree to any amendment of the master settlement agreement that materially and adversely affects the authority's ability to receive the strategic contribution payments; (b) requirement that the state enforce, at its own expense, the provisions of the master settlement agreement that require the payment of the strategic contribution payments to the authority.
- (4) On or after the effective date of the state agreement, the state shall not have any right, title, or interest in the portion of the strategic contribution payments and such payments are the property of the authority and not the state, and shall be owned, received, held, and disbursed by the authority or its assignee, and not the state.
- 30 (5) The strategic contribution payments so contributed and assigned 31 may not be deemed to be general state revenues as that term is used in 32 Article VIII, section 1 of the state Constitution.
- NEW SECTION. Sec. 7. LIMITATION OF LIABILITY. Members of the board and persons acting on behalf of the authority, while acting within the scope of their employment or agency, are not subject to personal liability resulting from carrying out the powers and duties conferred on them under this chapter. Neither the state nor the

- 1 authority is liable for any loss, damage, harm, or other consequence
- 2 resulting directly or indirectly from grants made by the authority or
- 3 by any life sciences research funded by such grants.
- 4 <u>NEW SECTION.</u> **Sec. 8.** DISSOLUTION OF THE AUTHORITY. The authority
- 5 may petition the legislature to be dissolved upon a showing that it has
- 6 no reason to exist and that any assets it retains must be distributed
- 7 to one or more similar entities approved by the legislature. The
- 8 legislature reserves the right to dissolve the authority after its
- 9 contractual obligations to its funders and grant recipients have
- 10 expired.
- 11 <u>NEW SECTION.</u> **Sec. 9.** A new section is added to chapter 82.04 RCW
- 12 to read as follows:
- BUSINESS AND OCCUPATION TAX EXEMPTION. This chapter does not apply
- 14 to income received by the life sciences discovery fund authority under
- chapter 43.-- RCW (sections 1 through 8 of this act).
- 16 **Sec. 10.** RCW 43.79.480 and 2002 c 365 s 15 are each amended to read as follows:
- 18 (1) Moneys received by the state of Washington in accordance with
- 19 the settlement of the state's legal action against tobacco product
- 20 manufacturers, exclusive of costs and attorneys' fees, shall be
- 21 deposited in the tobacco settlement account created in this section
- 22 except as these moneys are sold or assigned under chapter 43.340 RCW or
- 23 are contributed or assigned under chapter 43.-- RCW (sections 1 through
- 24 8 of this act).
- 25 (2) The tobacco settlement account is created in the state
- 26 treasury. Moneys in the tobacco settlement account may only be
- 27 transferred to the health services account for the purposes set forth
- in RCW 43.72.900, and to the tobacco prevention and control account for
- 29 purposes set forth in this section.
- 30 (3) The tobacco prevention and control account is created in the
- 31 state treasury. The source of revenue for this account is moneys
- 32 transferred to the account from the tobacco settlement account,
- 33 investment earnings, donations to the account, and other revenues as
- 34 directed by law. Expenditures from the account are subject to
- 35 appropriation.

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- **Sec. 11.** RCW 42.30.110 and 2003 c 277 s 1 are each amended to read 2 as follows:
 - (1) Nothing contained in this chapter may be construed to prevent a governing body from holding an executive session during a regular or special meeting:
 - (a) To consider matters affecting national security;

- (b) To consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price;
- (c) To consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of decreased price. However, final action selling or leasing public property shall be taken in a meeting open to the public;
- (d) To review negotiations on the performance of publicly bid contracts when public knowledge regarding such consideration would cause a likelihood of increased costs;
- (e) To consider, in the case of an export trading company, financial and commercial information supplied by private persons to the export trading company;
- (f) To receive and evaluate complaints or charges brought against a public officer or employee. However, upon the request of such officer or employee, a public hearing or a meeting open to the public shall be conducted upon such complaint or charge;
- (g) To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee. However, subject to RCW 42.30.140(4), discussion by a governing body of salaries, wages, and other conditions of employment to be generally applied within the agency shall occur in a meeting open to the public, and when a governing body elects to take final action hiring, setting the salary of an individual employee or class of employees, or discharging or disciplining an employee, that action shall be taken in a meeting open to the public;
- 34 (h) To evaluate the qualifications of a candidate for appointment 35 to elective office. However, any interview of such candidate and final 36 action appointing a candidate to elective office shall be in a meeting 37 open to the public;

(i) To discuss with legal counsel representing the agency matters relating to agency enforcement actions, or to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency.

This subsection (1)(i) does not permit a governing body to hold an executive session solely because an attorney representing the agency is present. For purposes of this subsection (1)(i), "potential litigation" means matters protected by RPC 1.6 or RCW 5.60.060(2)(a) concerning:

- (A) Litigation that has been specifically threatened to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party;
- (B) Litigation that the agency reasonably believes may be commenced by or against the agency, the governing body, or a member acting in an official capacity; or
 - (C) Litigation or legal risks of a proposed action or current practice that the agency has identified when public discussion of the litigation or legal risks is likely to result in an adverse legal or financial consequence to the agency;
 - (j) To consider, in the case of the state library commission or its advisory bodies, western library network prices, products, equipment, and services, when such discussion would be likely to adversely affect the network's ability to conduct business in a competitive economic climate. However, final action on these matters shall be taken in a meeting open to the public;
 - (k) To consider, in the case of the state investment board, financial and commercial information when the information relates to the investment of public trust or retirement funds and when public knowledge regarding the discussion would result in loss to such funds or in private loss to the providers of this information;
 - (1) To consider proprietary or confidential nonpublished information related to the development, acquisition, or implementation of state purchased health care services as provided in RCW 41.05.026;
 - (m) To consider in the case of the life sciences discovery fund

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authority, the substance of grant applications and grant awards when public knowledge regarding the discussion would reasonably be expected to result in private loss to the providers of this information.

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- (2) Before convening in executive session, the presiding officer of a governing body shall publicly announce the purpose for excluding the public from the meeting place, and the time when the executive session will be concluded. The executive session may be extended to a stated later time by announcement of the presiding officer.
- 9 <u>NEW SECTION.</u> **Sec. 12.** A new section is added to chapter 41.06 RCW to read as follows:
- In addition to the exemptions set forth in RCW 41.06.070, this chapter does not apply to employees of the life sciences discovery fund authority under chapter 43.-- RCW (sections 1 through 8 of this act).
- Sec. 13. RCW 42.17.310 and 2003 1st sp.s. c 26 s 926, 2003 c 277 s 3, and 2003 c 124 s 1 are each reenacted and amended to read as follows:
 - (1) The following are exempt from public inspection and copying:
- 18 (a) Personal information in any files maintained for students in 19 public schools, patients or clients of public institutions or public 20 health agencies, or welfare recipients.
 - (b) Personal information in files maintained for employees, appointees, or elected officials of any public agency to the extent that disclosure would violate their right to privacy.
 - (c) Information required of any taxpayer in connection with the assessment or collection of any tax if the disclosure of the information to other persons would (i) be prohibited to such persons by RCW 84.08.210, 82.32.330, 84.40.020, or 84.40.340 or (ii) violate the taxpayer's right to privacy or result in unfair competitive disadvantage to the taxpayer.
 - (d) Specific intelligence information and specific investigative records compiled by investigative, law enforcement, and penology agencies, and state agencies vested with the responsibility to discipline members of any profession, the nondisclosure of which is essential to effective law enforcement or for the protection of any person's right to privacy.

(e) Information revealing the identity of persons who are witnesses to or victims of crime or who file complaints with investigative, law enforcement, or penology agencies, other than the public disclosure commission, if disclosure would endanger any person's life, physical safety, or property. If at the time a complaint is filed the complainant, victim or witness indicates a desire for disclosure or nondisclosure, such desire shall govern. However, all complaints filed with the public disclosure commission about any elected official or candidate for public office must be made in writing and signed by the complainant under oath.

- (f) Test questions, scoring keys, and other examination data used to administer a license, employment, or academic examination.
- (g) Except as provided by chapter 8.26 RCW, the contents of real estate appraisals, made for or by any agency relative to the acquisition or sale of property, until the project or prospective sale is abandoned or until such time as all of the property has been acquired or the property to which the sale appraisal relates is sold, but in no event shall disclosure be denied for more than three years after the appraisal.
- (h) Valuable formulae, designs, drawings, computer source code or object code, and research data obtained by any agency within five years of the request for disclosure when disclosure would produce private gain and public loss.
- (i) Preliminary drafts, notes, recommendations, and intra-agency memorandums in which opinions are expressed or policies formulated or recommended except that a specific record shall not be exempt when publicly cited by an agency in connection with any agency action.
- (j) Records which are relevant to a controversy to which an agency is a party but which records would not be available to another party under the rules of pretrial discovery for causes pending in the superior courts.
- (k) Records, maps, or other information identifying the location of archaeological sites in order to avoid the looting or depredation of such sites.
- (1) Any library record, the primary purpose of which is to maintain control of library materials, or to gain access to information, which discloses or could be used to disclose the identity of a library user.

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(m) Financial information supplied by or on behalf of a person, firm, or corporation for the purpose of qualifying to submit a bid or proposal for (i) a ferry system construction or repair contract as required by RCW 47.60.680 through 47.60.750 or (ii) highway construction or improvement as required by RCW 47.28.070.

- (n) Railroad company contracts filed prior to July 28, 1991, with the utilities and transportation commission under RCW 81.34.070, except that the summaries of the contracts are open to public inspection and copying as otherwise provided by this chapter.
- (o) Financial and commercial information and records supplied by private persons pertaining to export services provided pursuant to chapter 43.163 RCW and chapter 53.31 RCW, and by persons pertaining to export projects pursuant to RCW 43.23.035.
- (p) Financial disclosures filed by private vocational schools under chapters 28B.85 and 28C.10 RCW.
 - (q) Records filed with the utilities and transportation commission or attorney general under RCW 80.04.095 that a court has determined are confidential under RCW 80.04.095.
 - (r) Financial and commercial information and records supplied by businesses or individuals during application for loans or program services provided by chapters 43.163, 43.160, 43.330, and 43.168 RCW, or during application for economic development loans or program services provided by any local agency.
 - (s) Membership lists or lists of members or owners of interests of units in timeshare projects, subdivisions, camping resorts, condominiums, land developments, or common-interest communities affiliated with such projects, regulated by the department of licensing, in the files or possession of the department.
- (t) All applications for public employment, including the names of applicants, resumes, and other related materials submitted with respect to an applicant.
- (u) The residential addresses or residential telephone numbers of employees or volunteers of a public agency which are held by any public agency in personnel records, public employment related records, or volunteer rosters, or are included in any mailing list of employees or volunteers of any public agency.
- 37 (v) The residential addresses and residential telephone numbers of 38 the customers of a public utility contained in the records or lists

held by the public utility of which they are customers, except that this information may be released to the division of child support or the agency or firm providing child support enforcement for another state under Title IV-D of the federal social security act, for the establishment, enforcement, or modification of a support order.

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- (w)(i) The federal social security number of individuals governed 6 7 under chapter 18.130 RCW maintained in the files of the department of health, except this exemption does not apply to requests made directly 8 9 to the department from federal, state, and local agencies of national and state licensing, 10 government, and credentialing, investigatory, disciplinary, and examination organizations; (ii) the 11 current residential address and current residential telephone number of 12 a health care provider governed under chapter 18.130 RCW maintained in 13 the files of the department, if the provider requests that this 14 information be withheld from public inspection and copying, and 15 provides to the department an accurate alternate or business address 16 17 and business telephone number. On or after January 1, 1995, the current residential address and residential telephone number of a 18 health care provider governed under RCW 18.130.040 maintained in the 19 files of the department shall automatically be withheld from public 20 inspection and copying unless the provider specifically requests the 21 22 information be released, and except as provided for under RCW 23 42.17.260(9).
- 24 (x) Information obtained by the board of pharmacy as provided in 25 RCW 69.45.090.
 - (y) Information obtained by the board of pharmacy or the department of health and its representatives as provided in RCW 69.41.044, 69.41.280, and 18.64.420.
 - (z) Financial information, business plans, examination reports, and any information produced or obtained in evaluating or examining a business and industrial development corporation organized or seeking certification under chapter 31.24 RCW.
 - (aa) Financial and commercial information supplied to the state investment board by any person when the information relates to the investment of public trust or retirement funds and when disclosure would result in loss to such funds or in private loss to the providers of this information.
 - (bb) Financial and valuable trade information under RCW 51.36.120.

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(cc) Client records maintained by an agency that is a domestic violence program as defined in RCW 70.123.020 or 70.123.075 or a rape crisis center as defined in RCW 70.125.030.

- (dd) Information that identifies a person who, while an agency employee: (i) Seeks advice, under an informal process established by the employing agency, in order to ascertain his or her rights in connection with a possible unfair practice under chapter 49.60 RCW against the person; and (ii) requests his or her identity or any identifying information not be disclosed.
- (ee) Investigative records compiled by an employing agency conducting a current investigation of a possible unfair practice under chapter 49.60 RCW or of a possible violation of other federal, state, or local laws prohibiting discrimination in employment.
- 14 (ff) Business related information protected from public inspection 15 and copying under RCW 15.86.110.
 - (gg) Financial, commercial, operations, and technical and research information and data submitted to or obtained by the clean Washington center in applications for, or delivery of, program services under chapter 70.95H RCW.
 - (hh) Information and documents created specifically for, and collected and maintained by a quality improvement committee pursuant to RCW 43.70.510 or 70.41.200, or by a peer review committee under RCW 4.24.250, regardless of which agency is in possession of the information and documents.
 - (ii) Personal information in files maintained in a data base created under RCW 43.07.360.
 - (jj) Financial and commercial information requested by the public stadium authority from any person or organization that leases or uses the stadium and exhibition center as defined in RCW 36.102.010.
 - (kk) Names of individuals residing in emergency or transitional housing that are furnished to the department of revenue or a county assessor in order to substantiate a claim for property tax exemption under RCW 84.36.043.
- 34 (11) The names, residential addresses, residential telephone 35 numbers, and other individually identifiable records held by an agency 36 in relation to a vanpool, carpool, or other ride-sharing program or 37 service. However, these records may be disclosed to other persons who

apply for ride-matching services and who need that information in order to identify potential riders or drivers with whom to share rides.

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- (mm) The personally identifying information of current or former participants or applicants in a paratransit or other transit service operated for the benefit of persons with disabilities or elderly persons.
- (nn) The personally identifying information of persons who acquire and use transit passes and other fare payment media including, but not limited to, stored value smart cards and magnetic strip cards, except that an agency may disclose this information to a person, employer, educational institution, or other entity that is responsible, in whole or in part, for payment of the cost of acquiring or using a transit pass or other fare payment media, or to the news media when reporting on public transportation or public safety. This information may also be disclosed at the agency's discretion to governmental agencies or groups concerned with public transportation or public safety.
- (oo) Proprietary financial and commercial information that the submitting entity, with review by the department of health, specifically identifies at the time it is submitted and that is provided to or obtained by the department of health in connection with an application for, or the supervision of, an antitrust exemption sought by the submitting entity under RCW 43.72.310. If a request for such information is received, the submitting entity must be notified of the request. Within ten business days of receipt of the notice, the submitting entity shall provide a written statement of the continuing need for confidentiality, which shall be provided to the requester. Upon receipt of such notice, the department of health shall continue to treat information designated under this section as exempt from disclosure. If the requester initiates an action to compel disclosure under this chapter, the submitting entity must be joined as a party to demonstrate the continuing need for confidentiality.
- (pp) Records maintained by the board of industrial insurance appeals that are related to appeals of crime victims' compensation claims filed with the board under RCW 7.68.110.
- (qq) Financial and commercial information supplied by or on behalf of a person, firm, corporation, or entity under chapter 28B.95 RCW relating to the purchase or sale of tuition units and contracts for the purchase of multiple tuition units.

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(rr) Any records of investigative reports prepared by any state, county, municipal, or other law enforcement agency pertaining to sex offenses contained in chapter 9A.44 RCW or sexually violent offenses as defined in RCW 71.09.020, which have been transferred to the Washington association of sheriffs and police chiefs for permanent electronic retention and retrieval pursuant to RCW 40.14.070(2)(b).

- (ss) Credit card numbers, debit card numbers, electronic check numbers, card expiration dates, or bank or other financial account numbers, except when disclosure is expressly required by or governed by other law.
- (tt) Financial information, including but not limited to account numbers and values, and other identification numbers supplied by or on behalf of a person, firm, corporation, limited liability company, partnership, or other entity related to an application for a liquor license, gambling license, or lottery retail license.
- (uu) Records maintained by the employment security department and subject to chapter 50.13~RCW if provided to another individual or organization for operational, research, or evaluation purposes.
- (vv) Individually identifiable information received by the work force training and education coordinating board for research or evaluation purposes.
- (ww) Those portions of records assembled, prepared, or maintained to prevent, mitigate, or respond to criminal terrorist acts, which are acts that significantly disrupt the conduct of government or of the general civilian population of the state or the United States and that manifest an extreme indifference to human life, the public disclosure of which would have a substantial likelihood of threatening public safety, consisting of:
- (i) Specific and unique vulnerability assessments or specific and unique response or deployment plans, including compiled underlying data collected in preparation of or essential to the assessments, or to the response or deployment plans; and
- (ii) Records not subject to public disclosure under federal law that are shared by federal or international agencies, and information prepared from national security briefings provided to state or local government officials related to domestic preparedness for acts of terrorism.

(xx) Commercial fishing catch data from logbooks required to be provided to the department of fish and wildlife under RCW 77.12.047, when the data identifies specific catch location, timing, or methodology and the release of which would result in unfair competitive disadvantage to the commercial fisher providing the catch data. However, this information may be released to government agencies concerned with the management of fish and wildlife resources.

- (yy) Sensitive wildlife data obtained by the department of fish and wildlife. However, sensitive wildlife data may be released to government agencies concerned with the management of fish and wildlife resources. Sensitive wildlife data includes:
- (i) The nesting sites or specific locations of endangered species designated under RCW 77.12.020, or threatened or sensitive species classified by rule of the department of fish and wildlife;
- (ii) Radio frequencies used in, or locational data generated by, telemetry studies; or
- (iii) Other location data that could compromise the viability of a specific fish or wildlife population, and where at least one of the following criteria are met:
 - (A) The species has a known commercial or black market value;
 - (B) There is a history of malicious take of that species; or
- (C) There is a known demand to visit, take, or disturb, and the species behavior or ecology renders it especially vulnerable or the species has an extremely limited distribution and concentration.
- (zz) The personally identifying information of persons who acquire recreational licenses under RCW 77.32.010 or commercial licenses under chapter 77.65 or 77.70 RCW, except name, address of contact used by the department, and type of license, endorsement, or tag. However, the department of fish and wildlife may disclose personally identifying information to:
- 31 (i) Government agencies concerned with the management of fish and 32 wildlife resources;
- 33 (ii) The department of social and health services, child support 34 division, and to the department of licensing in order to implement RCW 35 77.32.014 and 46.20.291; and
- 36 (iii) Law enforcement agencies for the purpose of firearm 37 possession enforcement under RCW 9.41.040.

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(aaa)(i) Discharge papers of a veteran of the armed forces of the United States filed at the office of the county auditor before July 1, 2002, that have not been commingled with other recorded documents. These records will be available only to the veteran, the veteran's next of kin, a deceased veteran's properly appointed personal representative or executor, a person holding that veteran's general power of attorney, or to anyone else designated in writing by that veteran to receive the records.

(ii) Discharge papers of a veteran of the armed forces of the United States filed at the office of the county auditor before July 1, 2002, that have been commingled with other records, if the veteran has recorded a "request for exemption from public disclosure of discharge papers" with the county auditor. If such a request has been recorded, these records may be released only to the veteran filing the papers, the veteran's next of kin, a deceased veteran's properly appointed personal representative or executor, a person holding the veteran's general power of attorney, or anyone else designated in writing by the veteran to receive the records.

(iii) Discharge papers of a veteran filed at the office of the county auditor after June 30, 2002, are not public records, but will be available only to the veteran, the veteran's next of kin, a deceased veteran's properly appointed personal representative or executor, a person holding the veteran's general power of attorney, or anyone else designated in writing by the veteran to receive the records.

(iv) For the purposes of this subsection (1)(aaa), next of kin of deceased veterans have the same rights to full access to the record. Next of kin are the veteran's widow or widower who has not remarried, son, daughter, father, mother, brother, and sister.

(bbb) Those portions of records containing specific and unique vulnerability assessments or specific and unique emergency and escape response plans at a city, county, or state adult or juvenile correctional facility, the public disclosure of which would have a substantial likelihood of threatening the security of a city, county, or state adult or juvenile correctional facility or any individual's safety.

(ccc) Information compiled by school districts or schools in the development of their comprehensive safe school plans pursuant to RCW

28A.320.125, to the extent that they identify specific vulnerabilities of school districts and each individual school.

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(ddd) Information regarding the infrastructure and security of computer and telecommunications networks, consisting of security passwords, security access codes and programs, access codes for secure software applications, security and service recovery plans, security risk assessments, and security test results to the extent that they identify specific system vulnerabilities.

(eee) Information obtained and exempted or withheld from public inspection by the health care authority under RCW 41.05.026, whether retained by the authority, transferred to another state purchased health care program by the authority, or transferred by the authority to a technical review committee created to facilitate the development, acquisition, or implementation of state purchased health care under chapter 41.05 RCW.

(fff) Proprietary data, trade secrets, or other information that relates to: (i) A vendor's unique methods of conducting business; (ii) data unique to the product or services of the vendor; or (iii) determining prices or rates to be charged for services, submitted by any vendor to the department of social and health services for purposes of the development, acquisition, or implementation of state purchased health care as defined in RCW 41.05.011.

(ggg) Proprietary information deemed confidential for the purposes of section 923, chapter 26, Laws of 2003 1st sp. sess.

(hhh) Financial, commercial, operations, and technical and research information and data submitted to or obtained by the life sciences discovery fund authority in applications for, or delivery of, grants under chapter 43.-- RCW (sections 1 through 8 of this act), to the extent that such information, if revealed, would reasonably be expected to result in private loss to the providers of this information.

(2) Except for information described in subsection (1)(c)(i) of this section and confidential income data exempted from public inspection pursuant to RCW 84.40.020, the exemptions of this section are inapplicable to the extent that information, the disclosure of which would violate personal privacy or vital governmental interests, can be deleted from the specific records sought. No exemption may be construed to permit the nondisclosure of statistical information not descriptive of any readily identifiable person or persons.

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(3) Inspection or copying of any specific records exempt under the provisions of this section may be permitted if the superior court in the county in which the record is maintained finds, after a hearing with notice thereof to every person in interest and the agency, that the exemption of such records is clearly unnecessary to protect any individual's right of privacy or any vital governmental function.

- (4) Agency responses refusing, in whole or in part, inspection of any public record shall include a statement of the specific exemption authorizing the withholding of the record (or part) and a brief explanation of how the exemption applies to the record withheld.
- **Sec. 14.** RCW 42.17.310 and 2003 c 277 s 3 and 2003 c 124 s 1 are each reenacted and amended to read as follows:
 - (1) The following are exempt from public inspection and copying:
 - (a) Personal information in any files maintained for students in public schools, patients or clients of public institutions or public health agencies, or welfare recipients.
 - (b) Personal information in files maintained for employees, appointees, or elected officials of any public agency to the extent that disclosure would violate their right to privacy.
 - (c) Information required of any taxpayer in connection with the assessment or collection of any tax if the disclosure of the information to other persons would (i) be prohibited to such persons by RCW 84.08.210, 82.32.330, 84.40.020, or 84.40.340 or (ii) violate the taxpayer's right to privacy or result in unfair competitive disadvantage to the taxpayer.
 - (d) Specific intelligence information and specific investigative records compiled by investigative, law enforcement, and penology agencies, and state agencies vested with the responsibility to discipline members of any profession, the nondisclosure of which is essential to effective law enforcement or for the protection of any person's right to privacy.
 - (e) Information revealing the identity of persons who are witnesses to or victims of crime or who file complaints with investigative, law enforcement, or penology agencies, other than the public disclosure commission, if disclosure would endanger any person's life, physical safety, or property. If at the time a complaint is filed the complainant, victim or witness indicates a desire for disclosure or

nondisclosure, such desire shall govern. However, all complaints filed with the public disclosure commission about any elected official or candidate for public office must be made in writing and signed by the complainant under oath.

- (f) Test questions, scoring keys, and other examination data used to administer a license, employment, or academic examination.
- (g) Except as provided by chapter 8.26 RCW, the contents of real estate appraisals, made for or by any agency relative to the acquisition or sale of property, until the project or prospective sale is abandoned or until such time as all of the property has been acquired or the property to which the sale appraisal relates is sold, but in no event shall disclosure be denied for more than three years after the appraisal.
- (h) Valuable formulae, designs, drawings, computer source code or object code, and research data obtained by any agency within five years of the request for disclosure when disclosure would produce private gain and public loss.
- (i) Preliminary drafts, notes, recommendations, and intra-agency memorandums in which opinions are expressed or policies formulated or recommended except that a specific record shall not be exempt when publicly cited by an agency in connection with any agency action.
- (j) Records which are relevant to a controversy to which an agency is a party but which records would not be available to another party under the rules of pretrial discovery for causes pending in the superior courts.
- (k) Records, maps, or other information identifying the location of archaeological sites in order to avoid the looting or depredation of such sites.
- (1) Any library record, the primary purpose of which is to maintain control of library materials, or to gain access to information, which discloses or could be used to disclose the identity of a library user.
- (m) Financial information supplied by or on behalf of a person, firm, or corporation for the purpose of qualifying to submit a bid or proposal for (i) a ferry system construction or repair contract as required by RCW 47.60.680 through 47.60.750 or (ii) highway construction or improvement as required by RCW 47.28.070.
 - (n) Railroad company contracts filed prior to July 28, 1991, with

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the utilities and transportation commission under RCW 81.34.070, except that the summaries of the contracts are open to public inspection and copying as otherwise provided by this chapter.

- (o) Financial and commercial information and records supplied by private persons pertaining to export services provided pursuant to chapter 43.163 RCW and chapter 53.31 RCW, and by persons pertaining to export projects pursuant to RCW 43.23.035.
- (p) Financial disclosures filed by private vocational schools under chapters 28B.85 and 28C.10 RCW.
- (q) Records filed with the utilities and transportation commission or attorney general under RCW 80.04.095 that a court has determined are confidential under RCW 80.04.095.
- (r) Financial and commercial information and records supplied by businesses or individuals during application for loans or program services provided by chapters 43.163, 43.160, 43.330, and 43.168 RCW, or during application for economic development loans or program services provided by any local agency.
- (s) Membership lists or lists of members or owners of interests of units in timeshare projects, subdivisions, camping resorts, condominiums, land developments, or common-interest communities affiliated with such projects, regulated by the department of licensing, in the files or possession of the department.
- (t) All applications for public employment, including the names of applicants, resumes, and other related materials submitted with respect to an applicant.
- (u) The residential addresses or residential telephone numbers of employees or volunteers of a public agency which are held by any public agency in personnel records, public employment related records, or volunteer rosters, or are included in any mailing list of employees or volunteers of any public agency.
- (v) The residential addresses and residential telephone numbers of the customers of a public utility contained in the records or lists held by the public utility of which they are customers, except that this information may be released to the division of child support or the agency or firm providing child support enforcement for another state under Title IV-D of the federal social security act, for the establishment, enforcement, or modification of a support order.

- (w)(i) The federal social security number of individuals governed 1 2 under chapter 18.130 RCW maintained in the files of the department of health, except this exemption does not apply to requests made directly 3 4 to the department from federal, state, and local agencies 5 government, and national and state licensing, credentialing, investigatory, disciplinary, and examination organizations; (ii) the 6 7 current residential address and current residential telephone number of a health care provider governed under chapter 18.130 RCW maintained in 8 9 the files of the department, if the provider requests that this information be withheld from public inspection and copying, and 10 provides to the department an accurate alternate or business address 11 and business telephone number. On or after January 1, 1995, the 12 13 current residential address and residential telephone number of a health care provider governed under RCW 18.130.040 maintained in the 14 files of the department shall automatically be withheld from public 15 16 inspection and copying unless the provider specifically requests the 17 information be released, and except as provided for under RCW 42.17.260(9). 18
- 19 (x) Information obtained by the board of pharmacy as provided in 20 RCW 69.45.090.
- (y) Information obtained by the board of pharmacy or the department of health and its representatives as provided in RCW 69.41.044, 69.41.280, and 18.64.420.

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- (z) Financial information, business plans, examination reports, and any information produced or obtained in evaluating or examining a business and industrial development corporation organized or seeking certification under chapter 31.24 RCW.
- (aa) Financial and commercial information supplied to the state investment board by any person when the information relates to the investment of public trust or retirement funds and when disclosure would result in loss to such funds or in private loss to the providers of this information.
 - (bb) Financial and valuable trade information under RCW 51.36.120.
- (cc) Client records maintained by an agency that is a domestic violence program as defined in RCW 70.123.020 or 70.123.075 or a rape crisis center as defined in RCW 70.125.030.
- 37 (dd) Information that identifies a person who, while an agency 38 employee: (i) Seeks advice, under an informal process established by

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the employing agency, in order to ascertain his or her rights in connection with a possible unfair practice under chapter 49.60 RCW against the person; and (ii) requests his or her identity or any identifying information not be disclosed.

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- (ee) Investigative records compiled by an employing agency conducting a current investigation of a possible unfair practice under chapter 49.60 RCW or of a possible violation of other federal, state, or local laws prohibiting discrimination in employment.
- 9 (ff) Business related information protected from public inspection 10 and copying under RCW 15.86.110.
 - (gg) Financial, commercial, operations, and technical and research information and data submitted to or obtained by the clean Washington center in applications for, or delivery of, program services under chapter 70.95H RCW.
- (hh) Information and documents created specifically for, and collected and maintained by a quality improvement committee pursuant to RCW 43.70.510 or 70.41.200, or by a peer review committee under RCW 4.24.250, regardless of which agency is in possession of the information and documents.
- 20 (ii) Personal information in files maintained in a data base 21 created under RCW 43.07.360.
 - (jj) Financial and commercial information requested by the public stadium authority from any person or organization that leases or uses the stadium and exhibition center as defined in RCW 36.102.010.
 - (kk) Names of individuals residing in emergency or transitional housing that are furnished to the department of revenue or a county assessor in order to substantiate a claim for property tax exemption under RCW 84.36.043.
 - (11) The names, residential addresses, residential telephone numbers, and other individually identifiable records held by an agency in relation to a vanpool, carpool, or other ride-sharing program or service. However, these records may be disclosed to other persons who apply for ride-matching services and who need that information in order to identify potential riders or drivers with whom to share rides.
- 35 (mm) The personally identifying information of current or former 36 participants or applicants in a paratransit or other transit service 37 operated for the benefit of persons with disabilities or elderly 38 persons.

(nn) The personally identifying information of persons who acquire and use transit passes and other fare payment media including, but not limited to, stored value smart cards and magnetic strip cards, except that an agency may disclose this information to a person, employer, educational institution, or other entity that is responsible, in whole or in part, for payment of the cost of acquiring or using a transit pass or other fare payment media, or to the news media when reporting on public transportation or public safety. This information may also be disclosed at the agency's discretion to governmental agencies or groups concerned with public transportation or public safety.

- (oo) Proprietary financial and commercial information that the submitting entity, with review by the department of health, specifically identifies at the time it is submitted and that is provided to or obtained by the department of health in connection with an application for, or the supervision of, an antitrust exemption sought by the submitting entity under RCW 43.72.310. If a request for such information is received, the submitting entity must be notified of the request. Within ten business days of receipt of the notice, the submitting entity shall provide a written statement of the continuing need for confidentiality, which shall be provided to the requester. Upon receipt of such notice, the department of health shall continue to treat information designated under this section as exempt from disclosure. If the requester initiates an action to compel disclosure under this chapter, the submitting entity must be joined as a party to demonstrate the continuing need for confidentiality.
- (pp) Records maintained by the board of industrial insurance appeals that are related to appeals of crime victims' compensation claims filed with the board under RCW 7.68.110.
- (qq) Financial and commercial information supplied by or on behalf of a person, firm, corporation, or entity under chapter 28B.95 RCW relating to the purchase or sale of tuition units and contracts for the purchase of multiple tuition units.
- (rr) Any records of investigative reports prepared by any state, county, municipal, or other law enforcement agency pertaining to sex offenses contained in chapter 9A.44 RCW or sexually violent offenses as defined in RCW 71.09.020, which have been transferred to the Washington association of sheriffs and police chiefs for permanent electronic retention and retrieval pursuant to RCW 40.14.070(2)(b).

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1 (ss) Credit card numbers, debit card numbers, electronic check 2 numbers, card expiration dates, or bank or other financial account 3 numbers, except when disclosure is expressly required by or governed by 4 other law.

- (tt) Financial information, including but not limited to account numbers and values, and other identification numbers supplied by or on behalf of a person, firm, corporation, limited liability company, partnership, or other entity related to an application for a liquor license, gambling license, or lottery retail license.
- (uu) Records maintained by the employment security department and subject to chapter 50.13 RCW if provided to another individual or organization for operational, research, or evaluation purposes.
- (vv) Individually identifiable information received by the work force training and education coordinating board for research or evaluation purposes.
 - (ww) Those portions of records assembled, prepared, or maintained to prevent, mitigate, or respond to criminal terrorist acts, which are acts that significantly disrupt the conduct of government or of the general civilian population of the state or the United States and that manifest an extreme indifference to human life, the public disclosure of which would have a substantial likelihood of threatening public safety, consisting of:
 - (i) Specific and unique vulnerability assessments or specific and unique response or deployment plans, including compiled underlying data collected in preparation of or essential to the assessments, or to the response or deployment plans; and
 - (ii) Records not subject to public disclosure under federal law that are shared by federal or international agencies, and information prepared from national security briefings provided to state or local government officials related to domestic preparedness for acts of terrorism.
- (xx) Commercial fishing catch data from logbooks required to be provided to the department of fish and wildlife under RCW 77.12.047, when the data identifies specific catch location, timing, or methodology and the release of which would result in unfair competitive disadvantage to the commercial fisher providing the catch data. However, this information may be released to government agencies concerned with the management of fish and wildlife resources.

(yy) Sensitive wildlife data obtained by the department of fish and wildlife. However, sensitive wildlife data may be released to government agencies concerned with the management of fish and wildlife resources. Sensitive wildlife data includes:

- (i) The nesting sites or specific locations of endangered species designated under RCW 77.12.020, or threatened or sensitive species classified by rule of the department of fish and wildlife;
- (ii) Radio frequencies used in, or locational data generated by, telemetry studies; or
- (iii) Other location data that could compromise the viability of a specific fish or wildlife population, and where at least one of the following criteria are met:
 - (A) The species has a known commercial or black market value;
 - (B) There is a history of malicious take of that species; or
- (C) There is a known demand to visit, take, or disturb, and the species behavior or ecology renders it especially vulnerable or the species has an extremely limited distribution and concentration.
- (zz) The personally identifying information of persons who acquire recreational licenses under RCW 77.32.010 or commercial licenses under chapter 77.65 or 77.70 RCW, except name, address of contact used by the department, and type of license, endorsement, or tag. However, the department of fish and wildlife may disclose personally identifying information to:
- (i) Government agencies concerned with the management of fish and wildlife resources;
- (ii) The department of social and health services, child support division, and to the department of licensing in order to implement RCW 77.32.014 and 46.20.291; and
- 29 (iii) Law enforcement agencies for the purpose of firearm 30 possession enforcement under RCW 9.41.040.
 - (aaa)(i) Discharge papers of a veteran of the armed forces of the United States filed at the office of the county auditor before July 1, 2002, that have not been commingled with other recorded documents. These records will be available only to the veteran, the veteran's next of kin, a deceased veteran's properly appointed personal representative or executor, a person holding that veteran's general power of attorney, or to anyone else designated in writing by that veteran to receive the records.

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(ii) Discharge papers of a veteran of the armed forces of the United States filed at the office of the county auditor before July 1, 2002, that have been commingled with other records, if the veteran has recorded a "request for exemption from public disclosure of discharge papers" with the county auditor. If such a request has been recorded, these records may be released only to the veteran filing the papers, the veteran's next of kin, a deceased veteran's properly appointed personal representative or executor, a person holding the veteran's general power of attorney, or anyone else designated in writing by the veteran to receive the records.

- (iii) Discharge papers of a veteran filed at the office of the county auditor after June 30, 2002, are not public records, but will be available only to the veteran, the veteran's next of kin, a deceased veteran's properly appointed personal representative or executor, a person holding the veteran's general power of attorney, or anyone else designated in writing by the veteran to receive the records.
- (iv) For the purposes of this subsection (1)(aaa), next of kin of deceased veterans have the same rights to full access to the record. Next of kin are the veteran's widow or widower who has not remarried, son, daughter, father, mother, brother, and sister.
- (bbb) Those portions of records containing specific and unique vulnerability assessments or specific and unique emergency and escape response plans at a city, county, or state adult or juvenile correctional facility, the public disclosure of which would have a substantial likelihood of threatening the security of a city, county, or state adult or juvenile correctional facility or any individual's safety.
- (ccc) Information compiled by school districts or schools in the development of their comprehensive safe school plans pursuant to RCW 28A.320.125, to the extent that they identify specific vulnerabilities of school districts and each individual school.
- (ddd) Information regarding the infrastructure and security of computer and telecommunications networks, consisting of security passwords, security access codes and programs, access codes for secure software applications, security and service recovery plans, security risk assessments, and security test results to the extent that they identify specific system vulnerabilities.

(eee) Information obtained and exempted or withheld from public inspection by the health care authority under RCW 41.05.026, whether retained by the authority, transferred to another state purchased health care program by the authority, or transferred by the authority to a technical review committee created to facilitate the development, acquisition, or implementation of state purchased health care under chapter 41.05 RCW.

(fff) Proprietary data, trade secrets, or other information that relates to: (i) A vendor's unique methods of conducting business; (ii) data unique to the product or services of the vendor; or (iii) determining prices or rates to be charged for services, submitted by any vendor to the department of social and health services for purposes of the development, acquisition, or implementation of state purchased health care as defined in RCW 41.05.011.

(ggg) Financial, commercial, operations, and technical and research information and data submitted to or obtained by the life sciences discovery fund authority in applications for, or delivery of, grants under chapter 43.-- RCW (sections 1 through 8 of this act), to the extent that such information, if revealed, would reasonably be expected to result in private loss to the providers of this information.

- (2) Except for information described in subsection (1)(c)(i) of this section and confidential income data exempted from public inspection pursuant to RCW 84.40.020, the exemptions of this section are inapplicable to the extent that information, the disclosure of which would violate personal privacy or vital governmental interests, can be deleted from the specific records sought. No exemption may be construed to permit the nondisclosure of statistical information not descriptive of any readily identifiable person or persons.
- (3) Inspection or copying of any specific records exempt under the provisions of this section may be permitted if the superior court in the county in which the record is maintained finds, after a hearing with notice thereof to every person in interest and the agency, that the exemption of such records is clearly unnecessary to protect any individual's right of privacy or any vital governmental function.
- (4) Agency responses refusing, in whole or in part, inspection of any public record shall include a statement of the specific exemption authorizing the withholding of the record (or part) and a brief explanation of how the exemption applies to the record withheld.

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Sec. 15. RCW 42.17.2401 and 2001 c 36 s 1 and 2001 c 9 s 1 are each reenacted and amended to read as follows:

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For the purposes of RCW 42.17.240, the term "executive state officer" includes:

- (1)The chief administrative law judge, the director of agriculture, the administrator of the Washington basic health plan, the director of the department of services for the blind, the director of the state system of community and technical colleges, the director of community, trade, and economic development, the secretary corrections, the director of ecology, the commissioner of employment security, the ((chairman)) chair of the energy facility site evaluation council, the secretary of the state finance committee, the director of financial management, the director of fish and wildlife, the executive secretary of the forest practices appeals board, the director of the gambling commission, the director of general administration, the secretary of health, the administrator of the Washington state health care authority, the executive secretary of the health care facilities authority, the executive secretary of the higher education facilities authority, the executive secretary of the horse racing commission, the executive secretary of the human rights commission, the executive secretary of the indeterminate sentence review board, the director of the department of information services, the director of the interagency committee for outdoor recreation, the executive director of the state investment board, the director of labor and industries, the director of licensing, the director of the lottery commission, the director of the office of minority and women's business enterprises, the director of parks and recreation, the director of personnel, the executive director of the public disclosure commission, the director of retirement systems, the director of revenue, the secretary of social and health services, the chief of the Washington state patrol, the executive secretary of the board of tax appeals, the secretary of transportation, the secretary of the utilities and transportation commission, the director of veterans affairs, the president of each of the regional and state universities and the president of The Evergreen State College, each district and each campus president of each state community college;
 - (2) Each professional staff member of the office of the governor;
 - (3) Each professional staff member of the legislature; and

(4) Central Washington University board of trustees, board of trustees of each community college, each member of the state board for community and technical colleges, state convention and trade center board of directors, committee for deferred compensation, Eastern Washington University board of trustees, Washington economic development finance authority, The Evergreen State College board of trustees, executive ethics board, forest practices appeals board, forest practices board, gambling commission, <u>life sciences discovery</u> fund authority board of trustees, Washington health care facilities authority, each member of the Washington health services commission, higher education coordinating board, higher education facilities authority, horse racing commission, state housing finance commission, human rights commission, indeterminate sentence review board, board of industrial insurance appeals, information services board, interagency committee for outdoor recreation, state investment board, commission on judicial conduct, legislative ethics board, liquor control board, lottery commission, marine oversight board, Pacific Northwest electric power and conservation planning council, parks and recreation commission, personnel appeals board, board of pilotage commissioners, pollution control hearings board, public disclosure commission, public pension commission, shorelines hearing board, public employees' benefits board, salmon recovery funding board, board of tax appeals, transportation commission, University of Washington board of regents, utilities and transportation commission, Washington state maritime commission, Washington personnel resources board, Washington public power supply system executive board, Washington State University board of regents, Western Washington University board of trustees, and fish and wildlife commission.

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- 29 **Sec. 16.** RCW 43.84.092 and 2003 c 361 s 602, 2003 c 324 s 1, and 30 2003 c 48 s 2 are each reenacted and amended to read as follows:
 - (1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.
 - (2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is

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- required for refunds or allocations of interest earnings required by 1 2 the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act 3 fall under RCW 43.88.180 and shall not require appropriation. 4 office of financial management shall determine the amounts due to or 5 from the federal government pursuant to the cash management improvement 6 7 act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the 8 cash management improvement act, and this subsection. Refunds or 9 10 allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section. 11
 - (3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.
 - (4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:
 - The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the common school construction fund, the county criminal justice assistance account, the county sales and use tax equalization account, the data processing building construction account, the deferred compensation administrative account, the deferred compensation principal account, the department of retirement systems expense account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern Washington University capital projects account, the education construction fund, the election account, the

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emergency reserve fund, The Evergreen State College capital projects account, the federal forest revolving account, the health services account, the public health services account, the health system capacity account, the personal health services account, the state higher education construction account, the higher education construction account, the highway infrastructure account, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the life sciences discovery fund, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the medical aid account, the mobile home park relocation fund, the multimodal transportation account, the municipal criminal justice assistance account, the municipal sales and use tax equalization account, the natural resources deposit account, the oyster reserve land account, the perpetual surveillance and maintenance account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the Puyallup tribal settlement account, the regional transportation investment district account, the resource management cost account, the site closure account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the transportation infrastructure account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the volunteer fire fighters' and reserve officers' relief and pension principal fund, the volunteer fire fighters' and reserve officers' administrative fund, the Washington fruit express account, the Washington judicial retirement system account, the Washington law enforcement officers' and fire fighters' system plan 1 retirement account, the Washington law enforcement officers' and fire fighters' system plan 2 retirement account, the Washington school employees'

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- retirement system combined plan 2 and 3 account, the Washington state 1 2 health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the 3 Washington State University bond retirement fund, the water pollution 4 5 control revolving fund, and the Western Washington University capital projects account. Earnings derived from investing balances of the 6 7 agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, and the 8 9 state university permanent fund shall be allocated to their respective 10 beneficiary accounts. All earnings to be distributed under this subsection (4)(a) shall first be reduced by the allocation to the state 11 12 treasurer's service fund pursuant to RCW 43.08.190.
 - (b) The following accounts and funds shall receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The aeronautics account, aircraft search and rescue account, the county arterial preservation account, the department of licensing services account, the essential rail assistance account, the ferry bond retirement fund, the grade crossing protective fund, the high capacity transportation account, the highway bond retirement fund, the highway safety account, the motor vehicle fund, the motorcycle safety education account, the pilotage account, the public transportation systems account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the recreational vehicle account, the rural arterial trust account, the safety and education account, the special category C account, the state patrol highway account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation fund, the transportation improvement account, the transportation improvement board bond retirement account, and the urban arterial trust account.
- 31 (5) In conformance with Article II, section 37 of the state 32 Constitution, no treasury accounts or funds shall be allocated earnings 33 without the specific affirmative directive of this section.
- 34 Sec. 17. RCW 43.84.092 and 2003 c 361 s 602, 2003 c 324 s 1, 2003 c 150 s 2, and 2003 c 48 s 2 are each reenacted and amended to read as follows:

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(1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

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- (2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.
 - (3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.
 - (4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:
 - (a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the common school construction fund, the county criminal justice assistance account, the county sales and use tax

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equalization account, the data processing building construction account, the deferred compensation administrative account, the deferred compensation principal account, the department of retirement systems expense account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern Washington University capital projects account, the education construction fund, the election account, the emergency reserve fund, The Evergreen State College capital projects account, the federal forest revolving account, the health services account, the public health services account, the health system capacity account, the personal health services account, the state higher education construction account, the higher education construction account, the highway infrastructure account, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the life sciences discovery fund, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the medical aid account, the mobile home park relocation fund, the multimodal transportation account, the municipal criminal justice assistance account, the municipal sales and use tax equalization account, the natural resources deposit account, the oyster reserve land account, the perpetual surveillance and maintenance account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public works assistance account, the Puyallup tribal settlement account, the regional transportation investment district account, the resource management cost account, the site closure account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the transportation infrastructure account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of

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Washington building account, the volunteer fire fighters' and reserve 1 officers' relief and pension principal fund, the volunteer fire 2 fighters' and reserve officers' administrative fund, the Washington 3 fruit express account, the Washington judicial retirement system 4 account, the Washington law enforcement officers' and fire fighters' 5 system plan 1 retirement account, the Washington law enforcement 6 7 officers' and fire fighters' system plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 8 account, the Washington state health insurance pool account, the 9 10 Washington state patrol retirement account, the Washington State University building account, the Washington State University bond 11 12 retirement fund, the water pollution control revolving fund, and the 13 Western Washington University capital projects account. Earnings 14 derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the 15 scientific permanent fund, and the state university permanent fund 16 17 shall be allocated to their respective beneficiary accounts. earnings to be distributed under this subsection (4)(a) shall first be 18 reduced by the allocation to the state treasurer's service fund 19 pursuant to RCW 43.08.190. 20

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(b) The following accounts and funds shall receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The aeronautics account, aircraft search and rescue account, the county arterial preservation account, the department of licensing services account, the essential rail assistance account, the ferry bond retirement fund, the grade crossing protective fund, the high capacity transportation account, the highway bond retirement fund, the highway safety account, the motor vehicle fund, the motorcycle safety education account, the pilotage account, the public transportation systems account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the recreational vehicle account, the rural arterial trust account, the safety and education account, the special category C account, the state patrol highway account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation fund, the transportation improvement account, the transportation improvement board bond retirement account, and the urban arterial trust account.

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- 1 (5) In conformance with Article II, section 37 of the state 2 Constitution, no treasury accounts or funds shall be allocated earnings 3 without the specific affirmative directive of this section.
 - Sec. 18. RCW 43.84.092 and 2004 c 242 s 60 are each amended to read as follows:

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- (1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.
- (2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.
- (3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.
- (4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:
- 36 (a) The following accounts and funds shall receive their 37 proportionate share of earnings based upon each account's and fund's

average daily balance for the period: The capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the common school construction fund, the county criminal justice assistance account, the county sales and use tax equalization account, the data processing building construction account, the deferred compensation administrative account, the deferred compensation principal account, the department of retirement systems expense account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern Washington University capital projects account, the education construction fund, the election account, the emergency reserve fund, The Evergreen State College capital projects account, the federal forest revolving account, the health services account, the public health services account, the health system capacity account, the personal health services account, the state higher education construction account, the higher education construction account, the highway infrastructure account, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the life sciences discovery fund, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the medical aid account, the mobile home park relocation fund, the multimodal transportation account, the municipal criminal justice assistance account, the municipal sales and use tax equalization account, the natural resources deposit account, the oyster reserve land account, the perpetual surveillance and maintenance account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public works assistance account, the Puyallup tribal settlement account, the regional transportation investment district account, the resource management cost account, the site closure account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the

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supplemental pension account, the Tacoma Narrows toll bridge account, 1 2 the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco 3 prevention and control account, the tobacco settlement account, the 4 transportation infrastructure account, the tuition recovery trust fund, 5 the University of Washington bond retirement fund, the University of 6 7 Washington building account, the volunteer fire fighters' and reserve officers' relief and pension principal fund, the volunteer fire 8 fighters' and reserve officers' administrative fund, the Washington 9 fruit express account, the Washington judicial retirement system 10 account, the Washington law enforcement officers' and fire fighters' 11 12 system plan 1 retirement account, the Washington law enforcement 13 officers' and fire fighters' system plan 2 retirement account, the 14 Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 15 account, the Washington state health insurance pool account, the 16 17 Washington state patrol retirement account, the Washington State University building account, the Washington State University bond 18 retirement fund, the water pollution control revolving fund, and the 19 Western Washington University capital projects account. Earnings 20 21 derived from investing balances of the agricultural permanent fund, the 22 normal school permanent fund, the permanent common school fund, the scientific permanent fund, and the state university permanent fund 23 24 shall be allocated to their respective beneficiary accounts. 25 earnings to be distributed under this subsection (4)(a) shall first be reduced by the allocation to the state treasurer's service fund 26 27 pursuant to RCW 43.08.190.

(b) The following accounts and funds shall receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the county arterial preservation account, the department of licensing services account, the essential rail assistance account, the ferry bond retirement fund, the grade crossing protective fund, the high capacity transportation account, the highway bond retirement fund, the highway safety account, the motor vehicle fund, the motorcycle safety education account, the pilotage account, the public transportation systems account, the Puget Sound capital construction account, the Puget Sound ferry operations

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- 1 account, the recreational vehicle account, the rural arterial trust
- 2 account, the safety and education account, the special category C
- 3 account, the state patrol highway account, the transportation 2003
- 4 account (nickel account), the transportation equipment fund, the
- 5 transportation fund, the transportation improvement account, the
- 6 transportation improvement board bond retirement account, and the urban
- 7 arterial trust account.
- 8 (5) In conformance with Article II, section 37 of the state
- 9 Constitution, no treasury accounts or funds shall be allocated earnings
- 10 without the specific affirmative directive of this section.
- 11 <u>NEW SECTION.</u> **Sec. 19.** CAPTIONS. Captions used in this act are
- 12 not any part of the law.
- 13 <u>NEW SECTION.</u> **Sec. 20.** LIBERAL CONSTRUCTION. This act, being
- 14 necessary for the welfare of the state and its inhabitants, shall be
- 15 liberally construed.
- 16 <u>NEW SECTION.</u> **Sec. 21.** CODIFICATION. Sections 1 through 8 of this
- 17 act constitute a new chapter in Title 43 RCW.
- 18 <u>NEW SECTION.</u> **Sec. 22.** SEVERABILITY. If any provision of this act
- 19 or its application to any person or circumstance is held invalid, the
- 20 remainder of the act or the application of the provision to other
- 21 persons or circumstances is not affected.
- 22 <u>NEW SECTION.</u> **Sec. 23.** EXPIRATION DATES. (1) Section 13 of this
- 23 act expires June 30, 2005.
- 24 (2) Section 16 of this act expires July 1, 2005.
- 25 (3) Section 17 of this act expires July 1, 2006.
- 26 NEW SECTION. Sec. 24. EFFECTIVE DATE. This act is necessary for
- 27 the immediate preservation of the public peace, health, or safety, or
- 28 support of the state government and its existing public institutions,
- 29 and takes effect immediately, except for section 14 of this act, which
- 30 takes effect June 30, 2005, section 17 of this act, which takes effect

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- 1 July 1, 2005, and section 18 of this act, which takes effect July 1,
- 2 2006.

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